



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 7/29/2008

**GAIN Report Number:** E48088

## EU-27

## Oilseeds and Products

## Oilseeds Update July 2008

## 2008

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**Report Highlights:**

MY 2008/09 production estimates for EU-27 soybeans and rapeseed have been revised down slightly compared to previous forecasts. This is a result of reduced soybean acreage and production in Romania and a downward adjustment in rapeseed production in Poland.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Quarterly Report  
Berlin [GM1]  
[E4]

**Introduction**

This report presents the outlook for oilseeds in the EU-27. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data. Unless stated otherwise, the data presented reflects information as of July 22, 2008.

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**Abbreviations used in this report**

Benelux	= Belgium, the Netherlands, and Luxembourg
Ha	= Hectares
MT	= Metric ton (1000 kg)
MS	= EU Member States
MY	= Marketing Year

**Soybean Complex:**

(Coordination: Marie-Cecile Henard)

<b>PSD Table</b>									
<b>Country:</b>	<b>EU27</b>								
<b>Commodity:</b>	<b>Soybean</b>								
	<b>2006/07</b>			<b>2007/08</b>			<b>2008/09</b>		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimate s (new)
<b>Marketing Year Begin</b>	<b>10/2006</b>			<b>10/2007</b>			<b>10/2008</b>		
Area	494	494	494	341	341	341	302	302	259
Beginning Stocks	740	978	978	1,123	1,399	1,399	1000	1,093	1,093
Production	1228	1,241	1,241	723	723	723	768	740	680
Extra EU27 imports	15289	15,291	15,291	15,300	14,250	14,250	14,150	13,700	13,700
<b>TOTAL SUPPLY</b>	17,257	17,510	17,510	17,146	16,372	16,372	15,18	15,533	15,473
Extra EU27 exports	47	47	47	50	13	13	45	20	20
Crush	14670	14,555	14,555	14,755	13,650	13,650	13,545	13,270	13,200
Food Use	117	109	109	117	108	108	118	105	105
Feed, Seed, Waste	1300	1,400	1,400	1,224	1,508	1,508	1,302	1,350	1,350
<b>TOTAL Use</b>	16,087	16,064	16,064	16,096	15,266	15,266	14,965	14,725	14,655
Ending Stocks	1123	1,399	1,399	1000	1,093	1,093	908	788	798
<b>TOTAL DISTRIBUTION</b>	17,257	17,510	17,510	17,146	16,352	16,372	15,918	15,533	15,473

<b>Commodity:</b>	<b>Soybean Meal</b>								
	<b>2006/07</b>			<b>2007/08</b>			<b>2008/09</b>		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)
<b>Marketing Year Begin</b>	<b>10/2006</b>			<b>10/2007</b>			<b>10/2008</b>		
Crush	14,670	14,555	14,555	14,755	13,650	13,650	13,545	13,270	13,200
Extraction Rate	0.79	0.787	0.787	0.79	0.788	0.788	0.79	0.776	0.777
Beginning Stocks	866	866	866	852	1,165	1,165	860	965	965
Production	11550	11450	11,450	11,620	10,750	10,750	10,670	10,300	10,250
Extra EU27 imports	22075	22168	22,168	24,400	23,450	23,450	23,500	22,750	22,800
<b>TOTAL SUPPLY</b>	34,491	34,484	34,484	36,872	35,365	35,365	35,030	34,015	34,015
Extra EU25 exports	547	527	527	450	500	500	450	500	500
Industrial	10	10	10	10	10	10	10	10	10
Food Use	32	32	32	32	32	32	32	32	32
Feed, Seed, Waste	33050	32750	32,750	35,520	33,858	33,858	33,678	32,518	32,518
<b>TOTAL Use</b>	33,092	32,792	32,792	35,562	33,900	33,900	33,720	32,560	32,560
Ending Stocks	852	1165	1,165	860	965	965	860	955	955
<b>TOTAL DISTRIBUTION</b>	34,491	34,484	34,484	36,872	35,365	35,365	35,030	34,015	34,015

Commodity:	Soybean Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	14,670	14,555	14,555	14,755	13,650	13,650	13,545	13,270	13,200
Extraction Rate	0.180	0.179	0.179	0.180	0.182	0.182	0.180	0.179	0.180
Beginning Stocks	194	194	194	200	234	234	195	256	256
Production	2640	2600	2,600	2,656	2,480	2,480	2,438	2,380	2,380
Extra EU27 imports	969	969	969	1,000	1,220	1,220	950	1,370	1,370
<b>TOTAL SUPPLY</b>	3,803	3,763	3,763	3,856	3,934	3,934	3,583	4,006	4,006
Extra EU27 exports	243	243	243	250	300	300	200	300	300
Industrial	1555	286	286	1,585	290	290	1,500	290	290
Biofuels		1280	1,280	-	1,300	1,300	-	1,400	1,400
Food Use	1675	1580	1,580	1,696	1,600	1,600	1,605	1,600	1,600
Feed, Seed, Waste	130	140	140	130	188	188	130	200	200
<b>TOTAL Use</b>	3,360	3,286	3,286	3,411	3,378	3,378	3,235	3,490	3,490
Ending Stocks	200	234	234	195	256	256	148	216	216
<b>TOTAL DISTRIBUTION</b>	3,803	3,763	3,763	3,856	3,934	3,934	3,583	4,006	4,006

**EU-27:**

EU-27 soybean production estimates were revised slightly down from both the annual oilseed report (E48073) and the June update (E48073), due to a reduction in both production and acreage in Romania. As a result, crush estimates were revised down, as well as soybean meal production, while imports of soybean meal were slightly revised up.

**Comments from Member States****Czech Republic**

Soybean is a very minor commodity in the Czech Republic, covering only 8,000 hectares. No new trends or changes are expected with this commodity. Extra EU-27 imports of Soybean oil come from Brazil.

**Italy** No change from last month. Area decline is confirmed, while it is too early to forecast yields (soybeans are harvested in early fall).

**Romania**

The area planted with soybeans shrank further to less than half of the area planted last year. This area drop is viewed as the farmers' response to the interdiction of planting biotech soybean, as the production cost for conventional soybean is much higher. Under the conditions of a dry summer, a lower yield per hectare is expected, leading to a lower production.

**Slovakia**

The sowing area of soybeans in Slovakia has been gradually decreasing. Soybean is the only oilseed commodity where the prices actually went slightly down in 2007 in Slovakia, instead of increasing. consumption is forecasted to remain stable.

## Rapeseed Complex

(Coordination: Sabine Lieberz)

PSD Table									
Country:	EU27								
Commodity:	Rapeseed								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimate s (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Area	5,408	5,408	5,408	6,556	6,553	6,554	6,380	6,393	6,420
Beginning Stocks	1,727	1,729	1,727	1,658	1,651	1,653	1,381	1,070	1,000
Production	16,087	15,904	15,904	18,320	18,375	18,375	19,008	18,920	18,800
Extra EU27 imports	432	409	432	550	750	650	1,550	1,550	1,550
<b>TOTAL SUPPLY</b>	18,246	18,042	18,063	20,528	20,776	20,678	21,939	21,540	21,350
Extra EU27 exports	75	56	75	375	200	390	225	150	310
Crush	15,580	15,535	15,535	17,863	18,730	18,588	19,200	19,700	19,350
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	933	800	800	909	776	700	919	690	690
<b>TOTAL Use</b>	16,513	16,335	16,335	18,772	19,506	19,288	20,119	20,390	20,090
Ending Stocks	1,658	1,651	1,653	1,381	1,070	1,000	1,595	1,000	1,000
<b>TOTAL DISTRIBUTION</b>	18,246	18,042	18,063	20,528	20,776	20,678	21,939	21,540	21,350

Commodity:	Rapeseed Meal								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimate s (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Crush	15,580	15,535	15,535	17,863	18,730	18,588	19,200	19,700	19,400
Extraction Rate	0.576	0.571	0.571	0.575	0.574	0.574	0.576	0.574	0.568
Beginning Stocks	95	95	95	84	261	261	100	250	250
Production	8,970	8,865	8,865	10,280	10,750	10,670	11,050	11,300	11,000
Extra EU27 imports	106	106	106	115	120	110	110	90	90
<b>TOTAL SUPPLY</b>	9,171	9,066	9,066	10,479	11,131	11,041	11,260	11,640	11,340
Extra EU25 exports	64	64	64	170	160	180	150	160	160
Industrial	-	-	-	-	23	23	-	33	33
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	9,023	8,741	8,741	10,209	10,698	10,588	11,000	11,167	10,867
<b>TOTAL Use</b>	9,023	8,741	8,741	10,209	10,721	10,611	11,000	11,200	10,900
Ending Stocks	84	261	261	100	250	250	110	280	280
<b>TOTAL DISTRIBUTION</b>	9,171	9,066	9,066	10,479	11,131	11,041	11,260	11,640	11,340

Commodity:	Rapeseed Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Crush	15,580	15,535	15,535	17,863	18,730	18,588	19,200	19,700	19,400
Extraction Rate	0.415	0.409	0.409	0.415	0.406	0.406	0.415	0.414	0.408
Beginning Stocks	192	192	192	189	200	200	170	315	265
Production	6,465	6,353	6,353	7,413	7,600	7,550	7,960	8,150	7,900
Extra EU27 imports	727	727	727	260	280	290	250	480	480
<b>TOTAL SUPPLY</b>	7,384	7,272	7,272	7,862	8,080	8,040	8,380	8,945	8,645
Extra EU27 exports	51	51	51	80	80	130	125	70	130
Industrial	4,768	530	530	4,800	510	480	5,495	510	480
Biofuels	-	4,410	4,410	-	5,065	5,055	-	6,035	5,650
Food Use	2,371	2,071	2,071	2,807	2,100	2,100	2,555	2,100	2,100
Feed, Seed, Waste	5	10	10	5	10	10	5	10	10
<b>TOTAL Use</b>	7,144	7,021	7,021	7,612	7,685	7,645	8,055	8,655	8,190
Ending Stocks	189	200	200	170	315	265	200	220	275
<b>TOTAL DISTRIBUTION</b>	7,384	7,272	7,272	7,862	8,080	8,040	8,380	8,945	8,645

**EU-27:**

EU-27 rapeseed area was slightly increased to previous estimates due to updated information from Slovakia and Austria. The 2008 rapeseed production is expected to be lower than previously expected. Production estimates were mainly reduced in Poland as more information about the effects of the drought in western parts of the country became available and to a lesser extent in Germany and Spain. The Czech Republic, Bulgaria, Austria, and Italy reported higher production estimates compared to the previous report (E48062). These increases were not high enough to compensate for the reduction in the afore mentioned countries. The lower availability of rapeseed is expected to result in a lower crush than previously expected. This will in turn reduce the availability of rapeseed oil and is expected to result in a lower rapeseed oil use for biofuels production than previously expected.

## Comments from Member States

**Bulgaria**

As of July 20, rapeseeds harvest is practically over although no official estimates are produced yet. According to traders, farmers and media reports, about 90% of rapeseeds are harvested and yields are reported to range from 2.5 to 3.2 MT/ha with an average of 2.7 MT/ha. Industry production estimates vary from 180,000 MT to 270,000 MT. Quality is good -- 42-43 % oil content and 9% average moisture. There is a high farmers' interest in sales, mainly for exports, due to attractive prices. Reportedly, farmers get a record margin, several times higher compared to wheat and barley. This is expected to lead to higher planted areas in the fall, most likely on the expense of wheat.

**Czech Republic**

This year's crop condition has been very good thus far and hectare yield is expected to be slightly above average. In contrast to previous expectations, rapeseed crush in MY 2009/09 is expected to remain flat compared to MT2007/08 and not increase. Setuza, the largest producer of materials for biofuel in the Czech Republic, has new owners as the firm Via Chem Group has sold 100 percent in Campaspol Holding which controls Setuza. According to the Union of Oilseed Growers and Processors, because of the resulting organizational changes in the company the projected increase in crush will be postponed.

**France:** To date (July 17), approximately half of the rapeseed acreage has been harvested. Overall, yields vary significantly among regions from 3.1 to 3.5 MT/ha. Production estimates remained unchanged.

**Germany**

Harvest has started in the south but has been occasionally stopped because heavy rains have made fields inaccessible. Quality and oil yields seem to be okay but if rain continues pods may burst before being harvested. Production estimate was slightly reduced.

**Hungary**

Ninety percent of the rapeseed crop has been harvested. The crop is the highest ever in Hungary. Budapest Stock Exchange (BSE) futures prices (for August and September 2008) for rapeseed decreased in Hungarian Forint (HUF) since the end of June. The drop in prices was partly due to the stronger rate of the local currency (HUF) vs. the Euro. Still the HUF 96,000/MT [€ 416/MT] futures prices for both August and September are more than 60 percent above of the same prices in 2007. There is lively demand for rapeseed by both domestic processors and exporters. No change in data from the previous month.

**Romania**

Although the rapeseeds harvesting is completed in Romania, official data still has not been published. Nevertheless, the yields are estimated to be higher than last year, despite the fact that some regions have been under massive insect attacks in the spring, especially the areas where drought has been most prominent. A large portion of the production is subject to pre-signed contracts. The rapeseeds purchase price varies between 350-400 EURO/MT.

**Slovakia**

The latest estimates show that rapeseed crop this year will be rather average, no significant improvement of yield is expected. More than 2/3 of the production should be used for the biofuel production.

## Sunflower Seeds Complex

(Coordination: Monica Dobrescu)

PSD Table									
Country:	EU27								
Commodity:	Sunflower Seed								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Area	3,978	3,943	3,943	3,424	3,389	3,389	3,716	3,620	3,600
Beginning Stocks	662	662	662	630	500	500	398	160	160
Production	6,502	6,482	6,482	4,781	4,760	4,760	6,482	6,200	6,200
Extra EU27 imports	570	570	570	250	300	300	768	450	450
<b>TOTAL SUPPLY</b>	7,734	7,714	7,714	5,661	5,560	5,560	7,648	6,810	6,810
Extra EU27 exports	749	749	749	425	480	480	625	650	650
Crush	5,501	5,600	5,600	4,260	4,350	4,350	5,550	5,250	5,250
Food Use	210	220	220	210	220	220	215	225	225
Feed, Seed, Waste	644	645	645	368	350	350	663	430	430
<b>TOTAL Use</b>	6,355	6,465	6,465	4,838	4,920	4,920	6,428	5,905	5,905
Ending Stocks	630	500	500	398	160	160	595	255	255
<b>TOTAL DISTRIBUTION</b>	7,734	7,714	7,714	5,661	5,560	5,560	7,648	6,810	6,810

Commodity:	Sunflower Meal								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)	USDA official	E48073	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	5,501	5,600	5,600	4,260	4,350	4,350	5,550	5,250	5,250
Extraction Rate	0.545	0.530	0.530	0.546	0.531	0.531	0.546	0.530	0.530
Beginning Stocks	105	105	105	85	98	98	31	58	78
Production	3,000	2,970	2,970	2,325	2,310	2,310	3,028	2,780	2,780
Extra EU27 imports	1,770	1,770	1,770	1,535	1,650	1,650	1,750	1,550	1,550
<b>TOTAL SUPPLY</b>	4,875	4,845	4,845	3,945	4,058	4,058	4,809	4,388	4,408
Extra EU25 exports	146	147	147	75	100	80	148	150	150
Industrial	4	-	-	4	-	-	4	-	-
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	4,640	4,600	4,600	3,835	3,900	3,900	4,610	4,150	4,150
<b>TOTAL Use</b>	4,644	4,600	4,600	3,839	3,900	3,900	4,614	4,150	4,150
Ending Stocks	85	98	98	31	58	78	47	88	108
<b>TOTAL DISTRIBUTION</b>	4,875	4,845	4,845	3,945	4,058	4,058	4,809	4,388	4,408



Commodity:	Sunflower Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)	USDA official	E48073	Post Estimate s (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	5,501	5,600	5,600	4,260	4,350	4,350	5,550	5,250	5,250
Extraction Rate	0.400	0.422	0.422	0.399	0.423	0.423	0	0.422	0.422
Beginning Stocks	283	283	283	240	270	270	86	90	90
Production	2,200	2,365	2,365	1,700	1,840	1,840	2,175	2,215	2,215
Extra EU27 imports	1,184	1,171	1,171	1,000	1,100	1,100	1,250	1,300	1,300
<b>TOTAL SUPPLY</b>	3,667	3,819	3,819	2,940	3,210	3,210	3,511	3,605	3,605
Extra EU27 exports	149	148	148	120	100	100	125	130	130
Industrial	115	90	90	109	90	90	118	90	90
Biofuels	-	240	240	-	200	200	-	250	250
Food Use	3,160	3,050	3,050	2,623	2,710	2,710	3,125	3,000	3,000
Feed, Seed, Waste	3	21	21	2	20	20	2	22	22
<b>TOTAL Use</b>	3,278	3,401	3,401	2,734	3,020	3,020	3,245	3,362	3,362
Ending Stocks	240	270	270	86	90	90	141	113	113
<b>TOTAL DISTRIBUTION</b>	3,667	3,819	3,819	2,940	3,210	3,210	3,511	3,605	3,605

**EU-27**

Although imports intensified in May due to a new supply source (Uruguay 9,000 MT), they are not likely to exceed the previously estimated level. Exports continued to remain firm, but they are projected to slow down towards the end of the season.

The planted area has been slightly revised downward to reflect lower figures reported by Spain, Slovakia and Austria. The decrease was not offset by higher sunflower area reported in Italy. As the sunflower crop is developing well in most of the producing member states, the drop in acreage is not expected to result in a lower production.

Sunflower meal exports were adjusted downwards, taking into account the decreasing demand from Serbia and Croatia. The surplus generated by this adjustment has been transferred into stocks. No significant changes are reported on sunflower oil.

**Comments from Member States****Bulgaria**

Sunflower crop is developing well despite dry and hot weather over the last three weeks. During this period, temperatures were moderate and there were scattered light showers. Cooler weather and rains expected in the next 10 days (July 21-July 28) are likely to sustain crop's potential.

**Czech Republic**

There are no significant changes expected with sunflower and the acreage should remain the same.

**Germany**

Harvest is expected to start in the middle of September.

**Hungary**

The quality of the flowering sunflower fields is good. However, fungus infestation may result in damages if the rainy weather along with high temperature continues. Futures prices of sunflower seed at BSE decreased but at a smaller extent than for rapeseed. The July 17 prices for October (HUF 98,500/MT [€ 426/MT]) and November (HUF 100,000 [€ 433/MT]) for sunflower are about 80 percent above of the prices in the same period in 2007. Production forecast of the previous month remained unchanged.

**Romania**

No changes. The crop is developing well. The recent rainfall is expected to have alleviated the effects of the continuing episodes of high temperatures and soil dryness, especially in the south and south-east of Romania.

**Slovakia**

Sunflower yields have improved. According to the Research Institute for Ag and Food economics the domestic consumption should slightly increase at the expense of exports to other EU member states.

**Related Reports:**

Report Number	Title	Date Released
E48073	Oilseeds Update June 2008 <a href="http://www.fas.usda.gov/gainfiles/200807/146295067.pdf">http://www.fas.usda.gov/gainfiles/200807/146295067.pdf</a>	07/03/2008
E48073	Oilseeds Annual <a href="http://www.fas.usda.gov/gainfiles/200806/146294804.pdf">http://www.fas.usda.gov/gainfiles/200806/146294804.pdf</a>	05/30/2008